



ENERGY ASSURANCE DAILY

Wednesday Evening, April 08, 2009

Electricity

Update: Reliant's 130 MW Mandalay Gas-fired Unit 3 in California Returns to Service by April 7

According to the California Independent System Operator, the unit returned to service by April 7.
<http://www.caiso.com/unitstatus/data/unitstatus200904071515.html>

Update: Cabrillo Power's 106 MW Encina Gas-fired Unit 1 in California Returns to Service by April 7

According to the California Independent System Operator, the unit returned to service by April 7.
<http://www.caiso.com/unitstatus/data/unitstatus200904071515.html>

Update: Cabrillo Power's 104 MW Encina Gas-fired Unit 2 in California Returns to Service by April 7

According to the California Independent System Operator, the unit returned to service by April 7.
<http://www.caiso.com/unitstatus/data/unitstatus200904071515.html>

NERC Chief Says Utilities Need to Do More to Address Cybersecurity Threats

Utilities must work to better-understand and address the threat of potential breaches in cybersecurity, the chief security officer at the North American Electric Reliability Corporation (NERC) said in a letter to power officials. A recent NERC survey demonstrated possible issues with how utilities identify "critical assets and the associated critical cyber assets which could be used to manipulate them," he said. The traditional approach to combating physical threats does not go far enough, he argued; cyber-attackers, unlike their physical counterparts, can work from afar and cause damage to multiple facilities simultaneously. NERC plans to begin audits this summer to determine if utilities and others comply with current cybersecurity standards.
<http://www.platts.com/Electric%20Power/News/8480486.xml?p=Electric%20Power/News&sub=Electric%20Power>

Petroleum

Update: Alaska's Cook Inlet Oil Production could be Offline for Months, Officials Say

Alaskan Cook Inlet oil production may be offline for months, officials said yesterday, due to complications at the associated Drift River oil terminal. Cook Inlet Pipe Line Co. shut the terminal after Mount Redoubt's initial eruption in late-March, and after several subsequent eruptions, workers removed the majority of oil from the site's two active storage tanks. The workers also injected 20,000 barrels of water into the tanks, seeking to ensure stability. Now, the Unified Command—which includes Cook Inlet Pipe Line Co., the Coast Guard and the Alaska Department of Environmental Conservation—said it must determine how to dispose of the oily water mixture. "Water introduced into the tanks at the Drift River Terminal could result in the shutdown of Cook Inlet oil production for months," the group said in a statement.
Bloomberg News, 10:19 April 8, 2009

Update: After April 5 Fire, ConocoPhillips 238,000 b/d Bayway Refinery in Linden, New Jersey Remains at Reduced Rates April 8

ConocoPhillips is investigating the cause of an April 5 fire in a crude distillation unit at its 238,000 b/d Bayway refinery in Linden, New Jersey, according to trade sources. The facility remains at reduced rates, the sources said.
Reuters, 09:27 April 8, 2009

U.S. Refineries Operate at Lowest Level Ever for First Week of April—EIA

U.S. refineries ran at 81.8 capacity for the week ended on April 3, according to the Energy Information Administration (EIA). The total is the lowest first-week-of-April figure since EIA began recording the data in 1990. DJN, 11:33 April 8, 2009

Pemex Says New Technology Could Enable it to Recover an Additional 3 Billion Barrels of Oil from Aging Cantarell Oilfield in Mexico

A new drilling technology could allow Pemex to recover 20 percent more oil than planned from Mexico's aging Cantarell oilfield, an official with the state-oil company said April 6. The technology may be ready in three years. Bloomberg News, 02:26 April 8, 2009

Natural Gas

Fire Forces Shut 400 MMcf/d of Natural Gas Production at Exxon Mobil's Sable Offshore Energy Project in Nova Scotia April 7

An electrical fire at the Thebaud platform forced offline about 400 MMcf/d of natural gas production from Exxon Mobil's Sable Offshore Energy Project in Nova Scotia on April 7, a Canadian official said today. ExxonMobil confirmed the shutdown. The 400 MMcf/d presumably accounts for most, or all, of Sable's usual 400-500 MMcf/d production. The fire occurred in an electrical fuse box cabinet, and was extinguished within minutes, according to the Canadian official. An Exxon Mobil spokesperson—without providing an exact restoration timetable—said repairs to a damaged electrical box typically take days, rather than weeks. Separately, Pengrowth Energy, which owns a partial share in the field, said operators had been performing scheduled work at the time of the incident. The field was subsequently already at reduced rates, according to Pengrowth.

<http://thechronicleherald.ca/NovaScotia/1115475.html>

<http://uk.reuters.com/article/oilRpt/idUKN0738529620090407>

CJX-PGF, 09:58 April 8, 2009

FPL Plans 300-mile Underground Natural Gas Pipeline in Florida

Florida Power & Light Company (FPL) filed with the Florida Public Service Commission (PSC) to build a 300-mile underground natural gas pipeline in Florida, the company said in an April 7 release. The northbound line, or "Florida EnergySecure Line," would run from Palm Beach County to Bradford County, both in eastern Florida. It could enter service as soon as 2014. FPL would divert about two-thirds of the line's capacity to its Cape Canaveral and Riviera Beach power plants, and employ the remaining one-third as a reserve margin for itself or other in-state customers. The company is converting the associated power plants, both oil-fired, to run on natural gas.

<http://www.fpl.com/news/2009/4709.shtml>

Other News

Canadian Bioenergy, ADM Plan 70 MMGal/Yr. Biodiesel Plant in Alberta, Canada

Canadian Bioenergy Corp. and Archer Daniels Midland Co. (ADM) may build a canola-based biodiesel plant in Lloydminster, Alberta, Canadian Bioenergy said April 7. The companies would build the plant at the site of ADM's existing canola crushing plant. Canadian Bioenergy is also planning to construct an approximately-60MMGal/Yr. biodiesel plant near Edmonton.

<http://www.google.com/hostednews/canadianpress/article/ALeqM5g-PUDxcrUa1j5BDREH8wfELkIqUA>

Energy Information Administration Conference Concludes April 8

The Energy Information Administration (EIA) concluded its 2009 Energy Conference today at the Washington Convention Center in Washington, DC. The talks included:

- Yesterday's afternoon panel discussions:
 - In "Financial Markets and Short-Term Energy Prices," panelists discussed last year's dramatic rise and fall in oil prices. The group did not identify one single cause for the fluctuations, but said that speculators were not to blame.
 - In "Renewable Energy in the Transportation and Power Sectors," panelists discussed the growth of wind and solar energy, as well as the issues facing ethanol in the transportation sector.
- Today's panel discussions:
 - In "Energy Data Needs," panelists stressed the need for improved state energy data. The lack of sufficient data has made it difficult for analysts to predict how new policies might impact complex energy markets, they said. Better state- and local-level data, they argued, would enable more accurate forecasts and provide better information on the impacts of energy policies.
 - In "Energy and the Media," three reporters and an academic discussed recent policy announcements and the media's coverage of environmental and energy-related issues.
 - In "Investing in Oil and Natural Gas – Opportunities and Barriers," panelists addressed energy companies, state-run oil companies, capital costs and investments worldwide. They noted that expenditures in exploration, development and production tend to correlate with changes in crude oil prices, particularly for smaller companies and for state-run companies, but less so for major oil companies.
 - In "Greenhouse Gas Emissions: What's Next?" panelists discussed the Waxman-Markey bill, introduced last week to a Congressional committee. The bill aims to create jobs, address energy and climate concerns, build energy infrastructure and reduce harmful emissions. Republicans have argued that it focuses too heavily on climate change, and not enough on energy security.

http://www.eia.doe.gov/eia_conference_2009.html

Energy Prices

U.S. Oil and Gas Prices			
April 8, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	51.15	47.66	108.78
NATURAL GAS Henry Hub \$/Million Btu	3.60	3.58	9.48

Source: Reuters

Energy Notes

Fallen Power Pole Ignites Fire, Cuts Power to 20,000 Pacific Power Customers in Washington April 7—Company Restores Power to all Customers within One Hour

http://www.kapptv.com/news/?sect_rank=1§ion_id=22&story_id=14087

SMECO Reports 13,842 Customers Without Power in Maryland April 7—Nearly all Restored by April 8

<http://outage.smeco.coop/>

New York PSC Approves Astoria Energy's Second Phase Plans for Proposed 1,240 MW Astoria Gas-fired Power Plant in New York

Reuters, 14:46 April 7, 2009

Puget Sound Energy Plans Approximately-35 MW Methane Gas-fired Power Plant in Washington

<http://www.platts.com/Electric%20Power/News/7785577.xml?p=Electric%20Power/News&sub=Electric%20Power>

Firefighters Tend to Smoldering Coal at SCE&G's Urquhart Power Plant in South Carolina

http://chronicle.augusta.com/stories/latest/lat_500943.shtml

Northeast Utilities Plans to Build 575 Electric Vehicle Charging Stations over Next Two Years in Connecticut and Massachusetts

http://news.prnewswire.com/DisplayReleaseContent.aspx?ACCT=ind_focus.story&STORY=/www/story/04-07-2009/0005002289&EDATE=

Update: Enbridge Strikes Deal with Minnesota Tribe to Allow Construction through Reservation of Alberta-to-Wisconsin Oil Pipeline

http://www.downstreamtoday.com/news/article.aspx?a_id=15953

U.S. Distillate Supplies Drop 3.4 Million Barrels in Weekly EIA Data, Far Outpacing Analysts Projections of 200,000 Barrel Drawdown

Reuters, 11:43 April 8, 2009

Line Repair Forces Shutdown of Targa Sandhills Gas Plant in Texas by April 7

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=122419>

Iraq, Syria to Discuss Possible Oil Pipeline from Kirkuk, Iraq to Syria

http://www.downstreamtoday.com/news/article.aspx?a_id=15954

Update: Iraqi Basra Oil Exports Return to 1.6 Million b/d April 8—Technical Fault Slowed Rates on April 6

Reuters, 05:55 April 8, 2009

Update: Mexico Reopens Dos Bocas, Coatzacoalcas and Cayo Arcas Oil Ports in Gulf of Mexico April 8—Harsh Weather Forced Shut Ports from April 6

Reuters, 11:21 April 8, 2009

Update: Russia Okays Exxon Mobil's Spending Plans for Sakhalin-1 Oil-and-Gas Field in Russia—Company to Continue with new Field Phases

Reuters, 10:19 April 8, 2009

Bloomberg News, 09:16 April 8, 2009

Analysts Expect Global LNG Production to Jump by 2.4 Bcf/d in 2009, and an Additional 5.7 Bcf/d in 2010

<http://www.platts.com/Natural%20Gas/News/7785582.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

ENERGY ASSURANCE DAILY

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:
<http://www.oe.netl.doe.gov/ead.aspx>

Please direct comments and questions to: ead@oe.netl.doe.gov